

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2005-385-E - ORDER NO. 2008-416

JUNE 24, 2008

IN RE: Petition of the Office of Regulatory Staff to)	IMPLEMENTATION OF
Establish Dockets to Consider Implementing)	NET METERING
the Requirements of Section 1251 (Net)	TARIFFS AND DENIAL
Metering and Additional Standards) of the)	OF MOTION TO
Energy Policy Act of 2005)	RECEIVE FURTHER
)	TESTIMONY
)	REGARDING FUEL
)	DIVERSITY

This matter comes before the Public Service Commission of South Carolina ("Commission") in regard to continuing action in the implementation of Section 1251 (Net metering and Additional Standards) of the Energy Policy Act of 2005.

The Commission's proceedings regarding the implementation of net metering standards have been extensive, inclusive, and beneficial to a thorough consideration of the relevant issues and various viewpoints of interested parties. We have held three meetings and hearings in this matter, and believe that the time has come to approve the proposed tariffs and make net metering available to South Carolinians:

1. We held the first hearing on May 15, 2007, in which we decided to implement net metering standards and directed the companies to file tariffs implementing those standards. Further, out of our concern that net metering might be unduly constrained by the absence of a non-demand sensitive rate, we instructed each utility to explore the feasibility of an alternative tariff which would give net

metering customers the option of purchasing their power on a so called “flat rate” plan.

2. We held a meeting on February 14, 2008, because we had concerns that the subsequently proposed tariffs were not easily understandable to the public, and as a result of that meeting, the companies agreed to devise summaries of their net metering rates which would be easier to understand for prospective net metering customers.
3. We held a second hearing on May 15, 2008, at the request of certain intervenors who wished to be heard on the proposed tariffs.

We have been gratified by the considerable public input on net metering; it tells us that the public is starting to become aware of the challenges that are posed to this state by simultaneous rapid population growth and increasing energy costs. We also recognize the significant contributions of the *pro se* intervenors in this docket, who obviously worked hard to learn the Commission’s procedures and follow rules that may not have been familiar to them. We appreciate their effort and commitment, and believe that they have made a valuable contribution to this process.

Consequently, we have been able to address a number of the concerns that were brought to our attention by advocates of net metering, as well as our own. Specifically, this process has facilitated making clearer explanations of the net metering tariffs available to the public, whether through documents, web sites, or utility customer service personnel. The Commission also has been able to address the concerns of those customers who did not want to be forced to abandon a flat rate plan and purchase their

electricity on a time of use plan with a demand component if they wanted to participate in net metering. While we may not have satisfied those persons who requested higher compensation for energy sold back to the power companies, we note that there was no consensus on who should pay for such a subsidy.

In short, while we recognize that we cannot devise a net metering plan that will satisfy everyone, we believe that it is time to implement net metering, with an eye toward a further evaluation of the efficacy of its use once it has been in place for a period of time. Therefore, we:

1. Direct the utilities to make net metering plans available to their customers no later than July 1, 2008, according to the tariffs submitted to us;
2. Direct the utilities to have trained and knowledgeable customer service personnel available to assist customers by July 1, 2008;
3. Direct the utilities to make explanations of their net metering programs available on their websites.
4. Approve SCE&G's request that the net metering tariffs be designated as experimental pursuant to S.C. Code Ann. § 58-27-870(f); in that regard, we grant Intervenor Greenlaw's Motion to Keep Docket Open but deny her Motion to Reclassify Net Metering Tariff Structure Design, Tariffs, and Fees as Temporary Instead of Experimental since any proposed new net metering tariffs will be filed in this docket and served on the parties.

5. Direct Commission Staff to schedule a hearing for us to review the net metering program approximately 12 months from the date of this order, so that we can consider whether changes are warranted.
6. Deny Ms. Thomas' motion that we expand these proceedings to receive testimony on the issue of fuel diversity, because the Commission has already heard testimony on the issue in this docket. However, we appreciate Ms. Thomas highlighting the issue through her motion, and in response we here provide further clarity regarding those concerns. Section 111(d) of the Public Utility Regulatory Policies Act of 1978 (PURPA) required that each State Commission consider the standards set out in PURPA and make a determination concerning whether to implement such standards. The Energy Policy Act of 2005 added fuel diversity considerations to the list of standards to be considered by state commissions. On May 15, 2007, in a hearing in which Ms. Thomas participated, the Commission heard testimony on Energy Policy Act Section 1251 (a)(12) as to whether a standard was necessary to address fuel sources to minimize dependence on one fuel source and to ensure that electric energy is generated using a diverse range of fuels and technologies, including renewable technologies. However, the resulting order of August 30, 2007 (Order No. 2007-618), did not adequately address the issue of fuel diversity. Therefore, based on the testimony heard at that hearing, we clarify that this Commission believes that no such additional standard is necessary. The State and this Commission have long utilized policies and rules that promote the goal of having a diverse mix of fuel and generation technology,

and we continue to evaluate fuel diversity in the face of changing economic, natural resource, and environmental conditions. The state's utilities have also for some time been operating with the goal of a diverse generation mix and have not relied upon any one dominant generation fuel source. That being the case, we have declined to adopt an additional standard.

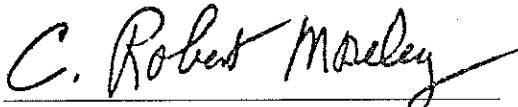
This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:



G. O'Neal Hamilton, Chairman

ATTEST:



C. Robert Moseley, Vice Chairman

(SEAL)